

**1999-2004  
HOUSING ELEMENT CYCLE  
  
SELF-CERTIFICATION  
WORKBOOK/  
AFFORDABLE HOUSING RECORD**

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## Section 1 Introduction

This workbook helps jurisdictions implement the methodology for housing element self-certification in 2004. It focuses on the mechanics of self-certification and includes information and forms to assist you in calculating your jurisdiction's 1999-2004 housing goal and determining whether the goal was met. This workbook is divided into four sections:

- Section 1 gives a background and overview of the self-certification process, and lists the actions required for Housing Element self-certification in 2004.
- Section 2 includes forms and instructions for calculating your jurisdiction's affordable housing goal, recording progress toward meeting this goal, and determining whether the goal was met.
- Section 3 gives instructions for using prepared Excel forms (located on the enclosed diskette and on SANDAG's Website) to calculate your affordable housing goal, record progress toward meeting this goal, and determining whether the goal was met. **Use of this Excel file is encouraged, as the majority of calculations are done automatically.**
- Section 4 lists the principles and guidelines for use by local jurisdiction staff in determining which programs may be counted toward the affordable housing goals for self-certification of their housing element. It also includes a list of the eligible programs.

### Self-Certification Background/Overview

The state requires that all cities and counties prepare a housing element of their general plan every five years, and that they submit their housing elements to the State Department of Housing and Community Development for a determination of substantial compliance with state law. State legislation (AB 1715) sponsored by SANDAG in 1995 created the opportunity for jurisdictions within the San Diego region to self-certify the housing element of their general plan.

San Diego jurisdictions viewed the housing element self-certification option as having three purposes:

1. to give jurisdictions more flexibility in how they meet affordable housing goals,
2. to focus on housing production rather than paper generation, and
3. to eliminate the State Department of Housing and Community Development's (HCD) review and certification of the updated housing elements.

For more information on self-certification, see SANDAG's *Housing Element Self-Certification Report: Implementation of a Pilot Program for the San Diego Region, June 1998*.

## Preparing for Self-Certification in 2004

In order to prepare for the possibility of housing element self-certification in 2004, you should do the following:

1. Jurisdictions are eligible to self-certify their housing elements in 2004 if their affordable housing goals for 1999-2004 have been met. Table 1 shows the estimated goals by jurisdiction and by income level. The actual goal will vary depending on growth rates and annexations and will be based on the State Department of Finance housing unit estimates as of January 1, 2004. Chapters 2 and 3 include forms and instructions to calculate the actual goal.
2. Start keeping a record of the housing opportunities created starting on July 1, 1999 by the category in which they fit. Fill in all of the current and future programs/project names on the enclosed record sheets, even if you won't be doing the project/program for a while. Then, as the programs/projects come online, complete the information on the record form. This can help avoid record-keeping problems in 2004 when you will assess whether your jurisdiction met its affordable housing goals.
3. If your jurisdiction has a redevelopment agency, find out the amount of the 1998-99 "housing set-aside" and the unencumbered "housing set-aside" funds balance as of June 30, 1999. You will need this information in 2004 to calculate your affordable housing goal for 1999-2004, as described in Sections 2 and 3.
4. For shared housing programs, you can only count the net increase in placements. Therefore, it would be wise to record the number of shared housing placements in your jurisdiction as of June 30, 1999. Refer to Section 5 for more information on how to count shared housing.
5. Set up a tickler system to check building/occupancy permit information to annually gauge housing unit growth in your jurisdiction. This will help you assess whether growth is radically departing from the forecast that was used (as shown in Table 1) to estimate your jurisdiction's affordable housing goal.

**Table 1  
1999-2004 ESTIMATED AFFORDABLE HOUSING GOALS**

<b>Jurisdiction</b>	<b>Series 8 Housing Unit 2004 Forecast</b>	<b>Estimated 1999-2004 Affordable Housing Goal</b>	<b>Estimated Extremely Low Income Goal (27%)</b>	<b>Estimated Very Low Income Goal (32%)</b>	<b>Estimated Low Income Goal (41%)</b>
Carlsbad	38,715	629	170	201	258
Chula Vista	68,671	1,029	278	329	422
Coronado	9,820	190	51	61	78
Del Mar	2,577	21	6	7	8
El Cajon	35,152	562	152	180	230
Encinitas	24,035	191	52	61	78
Escondido	50,429	755	204	242	309
Imperial Beach	10,419	83	22	27	34
La Mesa	25,028	411	111	132	168
Lemon Grove	9,504	215	58	69	88
National City	16,174	314	85	100	129
Oceanside	63,012	944	255	302	387
Poway	15,815	307	83	98	126
San Diego	504,014	7,546	2,037	2,415	3,094
San Marcos	26,382	512	138	164	210
Santee	20,894	490	132	157	201
Solana Beach	6,473	52	14	17	21
Vista	31,883	510	138	163	209
County Unincorporated	175,521	1,869	505	598	766
<b>Totals</b>	<b>1,134,518</b>	<b>16,630</b>	<b>4,491</b>	<b>5,323</b>	<b>6,816</b>



## **Section 2**

### **Calculating Affordable Housing Goal, Recording Affordable Housing Opportunities, and Assessing Performance**

This section includes worksheets and instructions for calculating your jurisdiction's affordable housing goal, recording progress toward meeting this goal, and determining whether the goal was met. This section contains eight worksheets. These worksheets are designed to be completed manually. Excel worksheets that are formatted to carry out many of the calculations automatically are included on the enclosed diskette, and are described in Section 3.

Worksheets 2–6 should be used to record your jurisdiction's affordable housing opportunities by category.

Worksheet 7 consolidates the affordable housing performance totals from worksheets 2–6, and assists you in applying the appropriate credit factors.

#### **Worksheet 1: Calculating Your Jurisdiction's Affordable Housing Goal**

Worksheet 1 will assist you in calculating your jurisdiction's affordable housing goal. To complete Worksheet 1, you will need the following information:

1. Your jurisdiction's January 1, 2004 estimate of total housing units. This information is available from SANDAG and will be available from the State Department of Finance in May 2004.
2. Your jurisdiction's 1998-99 annual redevelopment agency "housing set-aside," if applicable.
3. Your jurisdiction's "unencumbered funds" balance, if applicable.

**WORKSHEET 1**  
**CALCULATING YOUR JURISDICTION'S AFFORDABLE HOUSING GOAL**

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**Step 1: Calculating your overall goal**

**A.** Find your jurisdiction on the table below, and record the relevant performance standard here:

Jurisdiction	Performance Standard
Coronado, Lemon Grove, National City, Poway, Santee, San Marcos	17.62
Carlsbad, El Cajon, La Mesa, Vista	14.55
Chula Vista, Escondido, Oceanside, San Diego	13.61
Del Mar, Encinitas, Imperial Beach, Solana Beach	7.22
County Unincorporated	9.65

**B.** Obtain your jurisdiction's Department of Finance (DOF) Housing Unit Estimate for January 1, 2004 and record here:

**C.** Divide DOF estimate by 1000, record result here (do not round result):

**D.** Multiply performance standard by DOF estimate. Round to the nearest whole number and record result here:

**E.** Increase results of Step 1 by 10% (multiply by 1.10) Round to the nearest whole number and record results here.

**If jurisdiction does not have a Redevelopment Area, (E) is the Total Affordable Housing Goal. Move on to Step 2 on the next page.** If jurisdiction has a Redevelopment Area, move on to the next step (F)

**F.** Record your jurisdiction's 1998-99 annual redevelopment agency "housing set-aside"<sup>1</sup> (rounded to the nearest whole dollar) here:

**G.** Multiply housing set-aside amount by **1.5**, round to the nearest whole dollar and record results here:

**H.** Record jurisdiction's unencumbered redevelopment set-aside funds<sup>2</sup> balance (rounded to the nearest whole dollar) as of June 30, 1999 here:

**I.** Subtract (G) from (H) and record results here:

**J.** Divide new total from (I) by **\$25,000**. Round to the nearest whole number and record result here:

**K.** Add total from (J) to total from (E). Enter result here:

**L.** Enter the larger of the totals in (E) and (K). **This is the Total Affordable Housing Goal. Move on to Step 2 on the next page.**

<sup>1</sup> State law requires that at least 20% of the annual tax increment be "set-aside" for affordable housing (Health & Safety Code Sections 33334.2(a), 33334.3(a), 33334.6(c) and 76 Ca. Atty. Gen. 137). In some cases litigation has resulted in a much larger set-aside.

<sup>2</sup> Section 33334.12 of CA Redevelopment Law defines "unencumbered funds" as moneys that are not committed pursuant to a legally enforceable contract or agreement for expenditure for purposes specified in Section 33334.2 or 33334.3. For further information on the definition of unencumbered funds, refer to Appendix VI in SANDAG's Housing Element Self-Certification Report.

**WORKSHEET 1 (continued)**  
**CALCULATING YOUR JURISDICTION'S AFFORDABLE HOUSING GOAL**

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**Step 2: Proportionality of Housing Goal**

A. Enter Total Affordable Housing Goal from either (E) or (L) from Step 1 here:

B. Allocate the affordable housing goal among the income groups according to specific proportions: 41% of the total is to be for low income housing opportunities, 32% for very low income housing opportunities, and 27% for extremely low income housing opportunities. Round each goal to the nearest whole number and record the results in the table below.

<b>1999-2004 Affordable Housing Goal by Income Level</b>			
Total Affordable Housing Goal	Low Income Housing Opportunities (41% of Total)	Very Low Income Housing Opportunities (32% of Total)	Extremely Low Income Housing Opportunities (27% of Total)

## **Worksheets 2-6: Recording and Monitoring Progress Toward Meeting Goals**

Worksheets 2-6 will assist you in recording and monitoring your jurisdiction's progress toward meeting its affordable housing goals. You should keep annual records to gauge your jurisdiction's progress towards the housing goal, which will allow the opportunity to alter your programs accordingly.

There are five categories of housing programs and projects that can be counted toward meeting your affordable housing goal, as shown in Table 2. Examine the descriptions of the categories in Table 2 and fill in the appropriate worksheet (separate worksheets are included for either category) with the numbers of housing opportunities created by category.

The listing in Table 2 attempts to be inclusive of the many types of programs that create affordable, low income housing opportunities. If a new program becomes available, jurisdictions will use their best judgment as to which category appears appropriate. As a general rule, no new program would likely qualify for Category 1 or 2. These two categories are the most tightly defined and the most administratively and politically difficult to accomplish.

Projects/programs identified in Table 2 can only be counted if they are consistent with the Principles and Guidelines for Program Eligibility recommended by the SANDAG Housing Element Advisory Committee and comply with the affordability and income eligibility requirements of AB 1715. These Principles and Guidelines are located in Section 4.

<b>Table 2 CATEGORIES OF ELIGIBLE HOUSING OPPORTUNITIES</b>
<b>Category One</b>
<ol style="list-style-type: none"> <li>1. New construction of rental units by a public or non-profit agency, including multi-family units for special populations such as farm worker housing. When a newly constructed project has a mix of market rate and low income units, at least 49% of the units must be for households with low, very low, or extremely low income.</li> <li>2. Transitional housing, permanent homeless housing, AIDS, alcohol/drug rehabilitation or other special needs housing.</li> </ol>
<b>Category Two</b>
<ol style="list-style-type: none"> <li>1. Acquisition or acquisition and rehabilitation of rental units excluding extended affordability "at risk" projects such as Section 236, 221(d)(3) units. If investor/private party acquisition, a 30 year covenant guaranteeing affordability is obtained.</li> <li>2. New or converted limited equity coops, condominium and similar multi-family ownership projects (does not include individual home sales).</li> <li>3. New construction of rental units with a mix of market rate and low income units where fewer than 49% of the units are for households with low, very low, or extremely low incomes.</li> <li>4. New construction of senior citizens projects.</li> <li>5. Mobile home conversions with guaranteed long-term affordability through deed restriction or jurisdiction ownership of park.</li> <li>6. Second units.</li> </ol>
<b>Category Three</b>
<ol style="list-style-type: none"> <li>1. Investor/private party acquisition or acquisition and rehabilitation of rental units if less than a 30-year covenant guaranteeing affordability is obtained.</li> <li>2. Extended affordability of "at risk" projects such as Section 236, 221(d)(3) units.</li> <li>3. Units funded by State Mobile Home Resident Owner program, and other mobile home purchase or ownership programs(s) (no deed restriction).</li> <li>4. Lease covenant and similar long term affordability covenants where a private owner is compensated for imposing a deed restriction.</li> <li>5. Loan programs for private owners to rehabilitate rental units.</li> <li>6. Homebuyer programs including those resulting from inclusionary, in lieu fees, 203(k) funded projects or first time homebuyer subsidies.</li> <li>7. Locally funded rental assistance (certificates or vouchers).</li> </ol>
<b>Category Four</b>
<ol style="list-style-type: none"> <li>1. Mobile home rent programs.</li> <li>2. New federally funded rental assistance realized through a competitive process between 1999 and 2004. Portable rental assistance certificates where beneficiaries have simply moved from one jurisdiction to another do not count.</li> </ol>
<b>Category Five</b>
<ol style="list-style-type: none"> <li>1. Shared housing programs operated by non-profit agencies funded by the subject jurisdiction.</li> <li>2. Rehabilitation of owner-occupied homes.</li> </ol>

To complete Worksheets 2-6, you will need the following information for each project.

***Worksheet 2: Category One Housing***

1. The project title and location (for location, include street address and zip code).
2. The date of occupancy or certificate of occupancy.
3. The total number of units broken down by the income level of the benefiting households.
4. The number of units located in a high income census tract (census tracts with a median income exceeding 120% of that jurisdiction's median income.)
5. The length of project affordability.
6. The number of units with 3, 4, or 5 bedrooms.
7. The date that the project's affordability expires (if project is not affordable in perpetuity.)

***Worksheet 3: Category Two Housing***

1. The project title and location (for location, include street address and zip code).
2. The date of occupancy or certificate of occupancy.
3. The total number of units broken down by the income level of the benefiting households.
4. The length of project affordability.
5. The number of housing units with 3, 4, or 5 bedrooms that are newly constructed units, those units where rehabilitation increases the number of bedrooms in the subject unit, or those units that are created when non-residential buildings are converted to residential.
6. The number of housing units with 3, 4, or 5 bedrooms in projects that qualify as follows: "Acquisition or acquisition and rehabilitation of rental units, excluding extended affordability "at risk" projects such as Section 236, 221(d)(3) units. If investor/private party acquisition, a 30 year covenant guaranteeing affordability is obtained."

***Worksheet 4: Category Three Housing***

1. The project title and location (for location, include street address and zip code).
2. The date of occupancy or certificate of occupancy.
3. The total number of units broken down by the income level of the benefiting households.
4. The length of project affordability.

5. The number of housing units with 3, 4, or 5 bedrooms that are newly constructed units, those units where rehabilitation increases the number of bedrooms in the subject unit, or those units that are created when non-residential buildings are converted to residential.

***Worksheet 5: Category Four Housing***

1. The project title and location (for location, include street address and zip code).
2. The total number of units broken down by the income level of the benefiting households.

***Worksheet 6: Category Five Housing***

1. The project title and location (for location, include street address and zip code).
2. The total number of units broken down by the income level of the benefiting households.

**Worksheet 2**

**Record of Affordable Housing Production - July 1, 1999 to June 30, 2004**

**CATEGORY ONE HOUSING ONLY**

Category One Housing Project Title, Type, and Location	Date of Occ. or Cert. of Occ.	CHARACTERISTICS THAT EARN EXTRA CREDIT																					Date Aff. Expires (If applicable)			
		Total Units by Income Level of Benefiting Households			Units Located in High Income Census Tract			Units by Length of Affordability						Units by Number of Bedrooms												
		Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	30 to 54 Years			55 Years or More			3			4			5						
								Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.				
<b>Total</b>																										



**Worksheet 4**

**Record of Affordable Housing Production - July 1, 1999 to June 30, 2004**

**CATEGORY THREE HOUSING ONLY**

Category Three Housing Project Title and Location	Date of Occ. or Cert. of Occ.	Total Units by Income Level of Benefiting Households			CHARACTERISTICS THAT EARN EXTRA CREDIT															Date Aff. Exp.			
					Units by Length of Affordability						Units by Number of Bedrooms as Specified in Footnote 1												
					30 to 54 Years			55 Years or More			3 Bedroom			4 Bedroom			5 Bedroom						
					Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.	Ext. Low Inc.	Very Low Inc.	Low Inc.		Ext. Low Inc.	Very Low Inc.	Low Inc.
<b>Total</b>																							

**Footnote 1: Only record Category 3 units which are newly constructed units, those units in which rehabilitation increases the number of bedrooms in the subject unit, or non-residential buildings which were converted to residential.**





## Worksheet 7: Affordable Housing Performance Totals

Totals from Worksheets 2–6 should be transferred to Worksheet 7 to apply the appropriate credit factor and determine your jurisdiction's overall performance. Transfer the totals to Column (a), multiply the totals to the credit factor in Column (b), and record the new totals in Column (c). Then, add together the totals in Column (c) and record in the "Totals" row at the bottom of the worksheet.

The credit system used to develop Worksheet 7 is shown in Table 3.

<b>Table 3</b>						
<b>CREDIT SYSTEM FOR 1999-2004 HOUSING ELEMENT CYCLE</b>						
Category	Base Credit (applied to all units)	Extra Credit				
		Length of Affordability		Number of Bedrooms (only applied to the subject unit)		
		30-54 years	55 or more	3	4	5
Category 1 All Programs	1.1	0.05	0.1	0.5	1.0	1.5
Category 2 All Programs	1.05	0.05	0.1	0.5 <sup>1</sup>	1.0 <sup>1</sup>	1.5 <sup>1</sup>
Category 2 Acquisition/Rehab				0.05 <sup>2</sup>	0.15 <sup>2</sup>	0.2 <sup>2</sup>
Category 3 All Programs	1.0	0.05	0.1	0.5 <sup>1</sup>	1.0 <sup>1</sup>	1.5 <sup>1</sup>
Category 4 All Programs	0.95	0.05	0.1			
Category 5 All Programs	0.9	0.05	0.1			

<sup>1</sup> This extra credit is only given for newly constructed units, those units where rehabilitation increases the number of bedrooms in the subject unit, or if non-residential buildings are converted to residential use.

<sup>2</sup> This extra credit applies to existing units with the specified number of bedrooms which are part of projects that qualify as follows:

"Acquisition or acquisition and rehabilitation of rental units excluding extended affordability "at risk" projects such as Section 236, 221(d)(3) units. If investor/private party acquisition, a 30 year covenant guaranteeing affordability is obtained."

Refer to the preceding "Category 2 All Programs" row for the base credit and credit if the number of bedrooms in a unit is increased.

**Worksheet 7**  
**Affordable Housing Performance Totals**

Category	Unit/Opportunity Characteristic	(a) Number of units/opportunities with that characteristic by income level of benefiting household			(b) Credit Factor	(c) Credit Received		
		Ext. Low Income	Very Low Income	Low Income		Ext. Low Income	Very Low Income	Low Income
Category 1	Total Units				1.1			
	Units located in high income census tract				.05			
	Length of Affordability of 30-54 years				.05			
	Length of Affordability of 55 or more years				.1			
	3 bedrooms				.5			
	4 bedrooms				1.0			
	5 bedrooms				1.5			
Category 2	Total Units				1.1			
	Length of Affordability of 30-54 years				.05			
	Length of Affordability of 55 or more years				.1			
Category 2 for projects as specified in footnote 1 of Table 3	3 bedrooms				.5			
	4 bedrooms				1.0			
	5 bedrooms				1.5			
Category 2 Acq./Rehab. as specified in footnote 2 of Table 3	3 bedrooms				.05			
	4 bedrooms				.15			
	5 bedrooms				.2			
Category 3	Total Units				1.0			
	Length of Affordability of 30-54 years				.05			
	Length of Affordability of 55 or more years				.1			
Category 3 for projects as specified in footnote 2 of Table 3	3 bedrooms				.5			
	4 bedrooms				1.0			
	5 bedrooms				1.5			
Category 4	Total Units				.95			
Category 5	Total Units				.95			
<b>TOTALS</b>								

## Worksheet 8: Affordable Housing Performance Report

Use Worksheet 8 to calculate your jurisdiction's progress toward meeting your affordable housing goal. Transfer the goal totals, by income level, from Worksheet 1 to the "Affordable Housing Goal" row. Transfer the performance totals from Worksheet 7 to the "Total Housing Opportunities Provided" row. Then, divide the total housing opportunities provided by the affordable housing goal to determine the percent of the goal that has been met, and record it in the "Percent of Goal Met" row.

Worksheet 8 Affordable Housing Performance Report July 1, 1999 to June 30, 2004				
	TOTAL	Extremely Low Income	Very Low Income	Low Income
<b>Total Housing Opportunities Provided</b>				
	%	%	%	%
<b>Affordable Housing Goal</b>				
	=	=	=	=
<b>Percent of Goal Met</b>				



## **Section 3**

### **Using Excel Workbooks to Calculate Goal and Record and Assess Performance**

The enclosed diskette includes an Excel file which contains workbooks to assist you in calculating your jurisdiction's affordable housing goal, and recording and assessing your jurisdiction's performance toward meeting this goal, automatically. The following instructions will guide you through using each page of the Excel file, titled *housing performance workbooks.xls*.

#### **Page 1: Calculating Goal**

This page will automatically calculate your jurisdiction's affordable housing goal when you enter the following information:

- Your jurisdiction's Department of Finance (DOF) Housing Unit Estimate for January 1, 2004.

If your jurisdiction has a Redevelopment Area, you will also need to enter:

- Your jurisdiction's 1998-99 annual redevelopment agency "housing set-aside"
- Your jurisdiction's unencumbered redevelopment "set-aside" funds balance as of June 30, 1999.

#### **Page 2: Goal by Income Level**

This page will automatically distribute your jurisdiction's affordable housing goal by income level.

#### **Page 3: Housing Opportunity Categories**

There are five categories of housing programs and projects that can be counted toward meeting your affordable housing goal, as shown in the Excel table on this page and in Table 2 on page 13 of this workbook. Examine the descriptions of the categories and fill in the appropriate worksheet (separate worksheets are included for either category) on pages 4-8 with the numbers of housing opportunities created by category as instructed below.

#### **Page 4: Record Category 1**

You will need the following information for each program/project to complete page 4:

1. The project title and location (for location, include street address and zip code).
2. The date of occupancy or certificate of occupancy.
3. The total number of units broken down by the income level of the benefiting households.

4. The number of units located in a high income census tract (census tracts with a median income exceeding 120% of that jurisdiction's median income).
5. The length of project affordability.
6. The number of units with 3, 4, or 5 bedrooms.
7. The date that the project's affordability expires (if project is not affordable in perpetuity).

After completing each entry, performance totals will calculate automatically at the bottom of the page.

### **Page 5: Record Category 2**

You will need the following information for each program/project to complete page 5:

1. The project title and location (for location, include street address and zip code).
2. The date of occupancy or certificate of occupancy.
3. The total number of units broken down by the income level of the benefiting households.
4. The length of project affordability.
5. The number of housing units with 3, 4, or 5 bedrooms which are newly constructed units, those units in which rehabilitation increases the number of bedrooms in the subject unit, or those units that are created when non-residential buildings are converted to residential.
6. The number of housing units with 3, 4, or 5 bedrooms in projects that qualify as follows:  
"Acquisition or acquisition and rehabilitation of rental units, excluding extended affordability "at risk" projects such as Section 236, 221(d)(3) units. If investor/private party acquisition, a 30 year covenant guaranteeing affordability is obtained."

After completing each entry, performance totals will calculate automatically at the bottom of the page.

### **Page 6: Record Category 3**

You will need the following information for each program/project to complete page 6:

1. The project title and location (for location, include street address and zip code).
2. The date of occupancy or certificate of occupancy.
3. The total number of units broken down by the income level of the benefiting households.

4. The length of project affordability.
5. The number of housing units with 3, 4, or 5 bedrooms which are newly constructed units, those units in which rehabilitation increases the number of bedrooms in the subject unit, or those units that are created when non-residential buildings are converted to residential.

After completing each entry, performance totals will calculate automatically at the bottom of the page.

#### **Page 7: Record Category 4**

You will need the following information for each program/project to complete page 7:

1. The project title and location (for location, include street address and zip code).
2. The total number of units broken down by the income level of the benefiting households.

After completing each entry, performance totals will calculate automatically at the bottom of the page.

#### **Page 8: Record Category 5**

You will need the following information for each program/project to complete page 8:

1. The project title and location (for location, include street address and zip code).
2. The total number of units broken down by the income level of the benefiting households.

After completing each entry, performance totals will calculate automatically at the bottom of the page.

#### **Page 9: Performance Totals**

Totals from pages 4–8 will automatically appear on this page, and the applicable credit factor will be applied and totaled. Credit factors are based on the information included in Table 2 on page 20 of this workbook.

#### **Page 10: Performance Report**

The affordable housing goal from page 1 and the affordable housing performance totals from page 9 will automatically appear here and the percent of the goal that has been met by the jurisdiction will be shown.



## **Section 4**

### **Principles and Guidelines for Program Eligibility**

The following principles and guidelines were prepared by SANDAG's Housing Element Advisory Committee and approved by SANDAG for use by local jurisdiction staff in determining which programs may be counted towards the affordable housing goals for self-certification of their housing elements. A list of examples of the programs that count or do not count is also included. The list is not exclusive. These principles and guidelines are for use for both the 1991–1999 and 1999–2004 housing element cycles.

The principles and guidelines recognize a variety of types of housing programs and opportunities that jurisdictions can provide to assist low, very low, or extremely low (also referred to as low) income households. Assessing progress toward meeting the affordable housing goals for self-certification is the responsibility of each jurisdiction, as is the self-certification process. These principles and guidelines, and the list of program examples, are to be used by jurisdictions in determining whether they have met their affordable housing goals during the previous housing element cycle, and whether they reflect the requirements of subdivision (c)(3) of Section 65585.1 of the Health and Safety Code. State law only allows jurisdictions to “count each additional lower income household provided with affordable housing costs.”

#### **Principles**

1. Jurisdictions may count each additional affordable housing opportunity provided for low income households towards their affordable housing goals for the applicable housing element cycle, in accordance with the Credit System for Measuring Performance.
2. Flexibility is provided to local jurisdictions in how they meet their affordable housing needs. Credit may be claimed for: new construction, acquisition, rehabilitation, rental or ownership assistance, and preservation of the availability to lower income households of affordable housing units which are assisted, subsidized, or restricted by a public entity and are threatened with imminent conversion to market rate housing.
3. Housing opportunities counted must serve only low, very low, or extremely low income households, between 51-80 percent, 31-50 percent or, 30 percent and below of the region's median income adjusted for household size, respectively.
4. Measures must be in place to assure that the units counted remain affordable.
5. Local jurisdiction administrative burdens related to self-certification should be minimized.

## Guidelines

1. "Affordable housing costs are defined in Section 6918 for renters, and in Section 6920 for purchasers, of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program" (Section 65585.1(c)(2) of the Health and Safety Code). For extremely low income households, the definition of affordable housing costs is 30 percent of 30 percent of area median income, adjusted for household size.

For renters assisted using local regulatory measures, and local homeownership assistance or owner-occupied rehabilitation programs, housing costs for low income households shall not exceed 30 percent of 80 percent of area median income adjusted for household size. For renters assisted with rent subsidies or units provided with an ongoing subsidy to the property owner, affordability is defined in Section 6918 of Title 25 of the California Code of Regulations and Section 50053 of the California Health and Safety code. (All other types of subsidy are considered regulatory in nature.)

For homeownership assistance such as the federal HOME program and mortgage credit certificates, the program regulations capping the cost of the dwelling unit and/or the lender's loan underwriting standards define affordability.

2. For homebuyer programs, the sales price of the unit should not exceed three times the household income.
3. Occupancy of new units, or certificates of inspection or affordability of existing units began during the housing element cycle.
4. Units should be counted not households. Households may be counted for shared housing programs, transitional housing and group homes (when the capacity of the unit is more than one household), and rental subsidy programs.
5. For group homes and transitional housing, a jurisdiction should determine the capacity of the dwelling unit by assessing the typical number of households occupying the dwelling, but in no case shall the number of households credited exceed the number of bedrooms.
6. Rental units shall be income and affordability restricted for at least five years.
7. Any program that extends affordability only counts when the extension will impose income and affordability restrictions for at least an additional 30 years unless specified by federal or state funding sources.
8. Second dwelling units shall count only if the units are rented at an affordable housing cost to a low income household.
9. Owner-occupied rehabilitation shall count only if the household assisted is low income, the rehabilitation done is substantial (i.e., a substandard unit is made standard), and the household is paying affordable housing costs or the rehabilitation results in an increase in affordability.
10. Only the net increase in households assisted through rental assistance or mobile home rent programs may be counted.

11. For homebuyer programs, affordability and income eligibility shall be verified at time of sale; however, covenants are not required to assure ongoing income eligibility and affordability provided program funds are recycled.
12. Transitional housing opportunities should be counted based on the household capacity of the dwelling unit.
13. Credit for programs/units may be shared on a voluntary basis if there is joint participation and agreement.
14. For the 5 year housing element cycle, only the net increase in low, very low, and extremely low income households paying affordable housing costs who are placed in shared housing may be counted. The number of shared households assisted for the 5 year cycle would be calculated as follows: total number of low income households assisted (expressed in total number of months of assistance) divided by 60 (5 years @ 12 months each).

**Table 4  
EXAMPLES OF PROGRAMS THAT DO AND DO NOT COUNT  
TOWARD SELF-CERTIFICATION**

<b>Examples of Programs that Count*</b>	<b>Examples of Programs that Do Not Count***</b>
<ol style="list-style-type: none"> <li>1. Units funded by State Mobile Home Resident Owner program</li> <li>2. Inclusionary and density bonus units</li> <li>3. Conversion from commercial/industrial to residential</li> <li>4. Units funded with tax credits</li> <li>5. Transitional housing opportunities in a permanent dwelling unit (includes opportunities for persons with special needs)</li> <li>6. 236 and 221(d)(3) units that have received extended affordability</li> <li>7. Farmworker housing</li> <li>8. Section 202 – new rental housing</li> <li>9. Rent subsidy programs including new competitively funded federal rental assistance**</li> <li>10. Rental rehabilitation/ acquisition with rent restriction</li> <li>11. Second dwelling units/illegal unit conversion</li> <li>12. Mobile home rent programs</li> <li>13. Single room occupancy units (SROs)</li> <li>14. Housing bonds/refinance</li> <li>15. First-time homebuyer programs</li> <li>16. Mortgage credit certificates</li> <li>17. Shared housing operated by a non-profit and funded by a jurisdiction</li> <li>18. Owner-occupied rehabilitation of substandard units</li> </ol>	<ol style="list-style-type: none"> <li>1. Inclement weather shelter facilities</li> <li>2. Market rate units unless affordability is guaranteed and occupants are income eligible</li> <li>3. Rental rehabilitation without rent restrictions</li> <li>4. FEMA shelter vouchers</li> <li>5. Cosmetic rehabilitation and fix-up/paint programs</li> <li>6. Dormitory style housing facilities and nursing homes</li> </ol>

\* Jurisdictions should refer to the principles and guidelines to determine whether a particular program should be counted.

\*\* The net increase in Section 8 certificates and vouchers may be counted during the 1991-99 housing element cycle. For the 1999-2004 cycle, only new competitively funded federal rental assistance may count.

\*\*\* Though these programs do not count towards the affordable housing goals for self-certification, they are recognized as programs that address important housing needs.